

*In Wisconsin, disabled individuals would be able to keep Section 8 benefits if they return to work*

(Washington, DC)— The House Financial Services Committee today passed legislation to reform the Section 8 rental voucher program that contains two provisions authored by Congresswoman Gwen Moore (D-Wisc.). These sections would ease the housing challenges facing low-income families and those disabled individuals who require housing vouchers because they are unable to take on full-time employment.

In addition, the Committee adopted a separate Moore amendment to require the Department of Housing and Urban Development (HUD) to assess the performance of Public Housing Authorities (PHAs) based on whether they are actively working to reduce racial segregation when they administer vouchers.

“Those who rely on Section 8 vouchers to keep a roof over their head and give their children a place to live are a vulnerable group, and it is our responsibility to make sure that the laws designed to protect these individuals do not further disadvantage them,” Congresswoman Moore said. “The voucher program could use some of these reforms to make sure that it is structured to meet the needs of Section 8 renters today – and help them to move into their own homes in the future.”

The first Moore provision would help get families off of Section 8 vouchers and into their own homes. It would allow Public Housing Authorities – like the Housing Authority of Milwaukee, which administers 5,289 Section 8 vouchers – to report a tenant’s timely rent payment to credit reporting agencies at the request of the tenant.

Typically, rent payments are not included in a consumer’s credit history. Because of this, many renters have “thin” credit files. While they may pay rent and utility payments on time each month, these bills are not reported to credit agencies, and so these individuals do not have enough information in their files to be used for allocating credit.

“There are about 35-50 million American borrowers who don’t have credit scores, bank accounts, or whose files do not have enough information to be used in allocating credit” Congresswoman Moore said. “While I would like to help make it possible for all of these Americans to build their own credit scores, this provision is an easy opportunity to help the two million families that currently benefit from Section 8 vouchers.”

The second Moore provision included in the reform bill would directly benefit Wisconsin. Currently, the state of Wisconsin is interested in testing a program that would prevent seriously disabled individuals from losing benefits like Section 8 rental vouchers, Medicaid, and Social Security if they choose to seek employment and earn additional income.

Right now, these seriously disabled individuals face a disincentive to going back to work because if their income rises above a certain level, they risk losing one or more of their benefits. Even if they are able to work enough hours to fully support themselves at one point in time, if their disabilities should worsen, they may be unable to continue working and would have to reapply for their benefits.

In the case of a housing voucher, that would mean getting back on a long waiting list.

“We should not stand by policies that keep those who want to work from seeking a job,” Congresswoman Moore said.

The Moore provision would allow disabled individuals to participate in demonstration programs around the country that would let the recipients of multiple benefits pay a cost share in order to keep their benefits while they work. In Wisconsin, that would mean disabled individuals would pay an additional 15 percent of their earnings in a cost-sharing arrangement. That way, if a significantly disabled person would like to participate in the program, he or she would be protected against a rent increase under the Section 8 voucher program.

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